

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

NOVEMBER 16, 2011

AGENCY MEMBERS PRESENT

Koella, Carl, III, Chair
Johnson, D. Lynn, Vice-Chair
Burns, Charlotte
Doolittle, Robert S.
Haik, Barrett, M.D.
Lammert, Gregory
Southwick, William
Wright, James
Gaither, Keith, designee for the TennCare Director
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance
Weaver, Faye, designee for the Comptroller of the Treasury

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Bobbitt, Melissa, Administrative Services Assistant III
Christoffersen, Jim, General Counsel
Craighead, Alecia, Statistical Analyst III
Farber, Mark, Assistant Executive Director
Finchum, Rhonda, Director of Administrative Services
Wells, Phil, Health Planner III

COURT REPORTER

Tucker, Liz

GUESTS PRESENT

Babbs, Janice, Vanderbilt University Medical Center
Brent, Michael D., Esq., Bradley Arant Boult Cummings, LLP
Calendine, Chad, M.D., President, Middle Tennessee Imaging
Corritore, Danell, Director, Certificate of Need Unit, Tennessee Department of Health
Culbreath, Luann, Executive Director, Saint Thomas Health
Duncan, Bruce, Vice President, National HealthCare Corporation
Elrod, Dan H., Esq., Miller & Martin
Gaw, Mark, CFO, St. Thomas Outpatient Imaging
Gourley, Michelle, M.D., Division of Health Planning, Finance & Administration
Hampton, Michael, President/CEO, AmeriCare
Hendricks, Teresa, Div. of Health Statistics, Office of Policy, Plng. & Assessment, Tenn. Dept. of Health
Hill, Ronald, Vice President, Strategic Development, Vanderbilt University Medical Center
Houchin, Barbara, Executive Director, Planning, Saint Thomas Health Services
Huggins, Mike, Senior Executive Consultant, Tennessee Hospital Association
Lambdin, Leeann, Planning, St. Thomas Health Services
Merville, LaDonna, Vice President, Hospital Alliance of Tennessee
Moore, Carl
Moore, Elliott, Mountain States Health Alliance
Moreland, Michael, CEO, Middle Tennessee Imaging

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Reed, Ann, R., RN, BSN, MBA, Director of Licensure, Div. of Health Care Facilities, Tenn. Dept. of Health
Tally, Sarah Lodge, Esq., Miller & Martin
Taylor, Jerry W., Esq., Farris, Mathews, Bobango, PLC
Trauger, Byron R., Esq., Trauger & Tuke
Woods, Laura, Care Centers Management Consulting

Chairman Koella, called the meeting to order at 8:30 a.m. in Meeting Room 12, of The Legislative Plaza, Nashville, Tennessee. Mr. Koella introduced the Agency's new member, Mr. Bob Doolittle.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made general announcements and stated that five (5) applications are scheduled to be heard at the December meeting, six (6) applications in January, and possibly ten (10) applications in February; and the December meeting has been set for December 14th and will be held at the Legislative Plaza; January through May (or June) meetings will be held at the AT&T Tower; and the Audit Committee will meet at the conclusion of the November Agenda.

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications:

East Tennessee Radiation Therapy Services - (Knoxville, Knox County) - Project No. CN1108-030

The acquisition of major medical equipment (a Linear Accelerator and related components); the initiation of outpatient radiation therapy services; and the establishment of an ambulatory surgical treatment center (ASTC) limited to radiation therapy services. The service will seek licensure by the Tennessee Department of Health as an ambulatory surgical treatment center (ASTC) limited to radiation therapy. The project does not contain any other type of major medical equipment or initiate or discontinue any other type of major medical equipment or health services, and it will not affect any facility's licensed bed complements. Project Cost \$8,885,379.00.

DEFERRED TO THE DECEMBER MEETING

Mr. Southwick recused

St. Thomas Outpatient Imaging - Baptist - (Nashville, Davidson County) - Project No. CN1108-031

The establishment of an outpatient diagnostic center (ODC) and the initiation of magnetic resonance imaging (MRI) services. The ODC will occupy approximately 6,563 square feet of space leased from Baptist Hospital, located in the 20th Avenue Medical Office Building, 300 20th Avenue North, Suite 202, Nashville (Davidson County), TN. Upon completion of the project, Baptist Hospital will deactivate an existing MRI, so the project will not result in any new MRI capacity in the market. The imaging modalities in the ODC will be MRI, CT, ultrasound, digital x-ray, radiography and fluorography. Project Cost \$3,608,100.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency and Chad Calendine, M.D., President, Middle Tennessee Imaging spoke on behalf of the project. Present on behalf of the project were: Mark Gaw, CFO, St. Thomas Outpatient Imaging; and Luann Culbreath, Executive Director, Saint Thomas Health.

Mr. Lammert moved for approval of the project based on: 1) Need – There is an existing need for these services so it will continue to meet the need; 2) Economic Feasibility – The project's economic feasibility is met with cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care by providing a more convenient location for patients who access these services. Mr. Johnson seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Doolittle, Lammert, Johnson, Weaver, Gaither, Haik, Koella
NAY: None

STATE HEALTH PLAN UPDATE – Michelle Gourley, M.D., Division of Health Planning, Finance & Administration discussed the status of the state health plan.

GENERAL COUNSEL’S REPORT

Jim Christoffersen summarized the following CON modification request:

AmeriCare Long Term Specialty Hospital, LLC d/b/a AmeriCare Health and Rehabilitation Center - (Memphis, Shelby County) - Project No. CN0908-045AE

Request for a six (6) month extension of the expiration date from January 1, 2013 to July 1, 2013 and for approval of a change of ownership of a previously approved but unimplemented project. The ownership would transfer from an AmeriCare affiliated entity to Christian Care Center of Memphis, LLC. This project was approved on November 18, 2009 for the partial relocation and replacement of a nursing home. Project Cost is \$8,639,395.00.

Michael D. Brent, Esq., representing the applicant, addressed the Agency. Present on behalf of the request were: Mike Hampton, CEO, AmeriCare; Jerry W. Taylor, Esq., representing Christian Care; and Laura Woods, Care Centers Management Consulting.

Mr. Lammert moved for approval of a twelve (12) month extension of the expiration date from January 1, 2013 to January 1, 2014, and for the approval of the change of ownership of the approved but unimplemented project. Ms. Weaver and Mr. Johnson seconded the motion. The motion CARRIED [11-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Doolittle, Lammert, Johnson, Weaver, Gaither, Haik, Southwick, Koella

NAY: None

CONTESTED CASE

Mr. Christoffersen provided an update on contested cases.

MINUTES

The minutes of the October 26, 2011 meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting adjourned.

Melanie M. Hill, Executive Director

MMH/mab